

Message Text

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ACTION EUR-12

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NSAE-00 PA-01 PRS-01 SP-02 USIA-06 TRSE-00 SAJ-01

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FM AMEMBASSY PARIS

TO SECSTATE WASHDC 6597

INFO USMISSION NATO

C O N F I D E N T I A L PARIS 03698

E.O. 11652: GDS

TAGS: PFOR, MILI, FR

SUBJECT: FRELOC SETTLEMENT

REF: (A) STATE 22122; (B) STATE 25786

1. SUMMARY: WE GAVE QUAI OFFICIAL (SCHRICKE) TEXT OF SUPPLEMENTARY EXCHANGE OF LETTERS ON FRELOC. HE SPECULATED THAT GOF MAY WANT FRELOC SETTLEMENT AGREEMENTS TO REMAIN CLASSIFIED. WE STRESSED U.S. PREFERENCE FOR FULL PUBLICATION OF AGREEMENTS. GISCARD HAS CONFIRMED FIVE-YEAR PAYMENT PERIOD. END SUMMARY.

2. WE GAVE SCHRICKE ON FEBRUARY 10 TEXT OF THE OPERATIVE PORTION OF THE SUPPLEMENTARY EXCHANGE OF LETTERS (REF A PARA 3), UNDERLINING APPROPRIATE SUPPORTING ARGUMENTS CONTAINED IN REF A AND IN REF B, PARA 2, AND NOTING THAT THE US WOULD PREFER TO PUBLISH BOTH THE BASIC AND SUPPLEMENTARY EXCHANGE OF LETTERS, E.G., BOTH EXCHANGES WOULD BE UNCLASSIFIED. AFTER READING TEXT, SCHRICKE SPECULATED ON PERSONAL BASIS THAT GOF MAY WISH TO HAVE BOTH EXCHANGES OF LETTERS REMAIN CLASSIFIED TO AVOID TWO POTENTIAL PROBLEMS WITH FRENCH PARLIAMENT: DECLASSIFICATION OF THE EXCHANGE MIGHT OPEN UP FRENCH PARLIAMENTARY INQUIRY CONCERNING BUDGETARY ASPECTS OF THE SETTLEMENT

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(FRENCH SEEM TO BE THINKING OF MAKING PAYMENTS TO U.S.

FROM GENERAL FUNDS, RATHER THAN HAVING LINE-ITEMS IN BUDGETS THAT WOULD BE OPEN TO PARLIAMENTARY EXAMINATION); AND PROCEDURES FORECAST IN THE SUPPLEMENTARY EXCHANGE OF LETTERS MIGHT RAISE PROBLEMS WITH FRENCH PARLIAMENT CONCERNING RELATIONSHIP OF THE PAYMENTS MADE BY FRANCE TO THE UNITED STATES AND NATO'S SEPARATE CLAIM AGAINST FRANCE IN CONNECTION WITH THE 1966-67 RELOCATION (FOR EXAMPLE, SOME MAY SEE US-GOF ARRANGEMENT AS IMPLYING GOF ACCEPTANCE OF NATO CLAIM AGAINST FRANCE).

3. SCHRICKE TOLD US THAT SUBSEQUENT TO OUR MEETING ON JANUARY 14 (WHEN WE GAVE SCHRICKE OUR DRAFT EXCHANGE OF NOTES), SAUVAGNARGUES HAD CONFIRMED WITH GISCARD THAT THE FIVE-YEAR PAYMENT PERIOD WAS AGREEABLE TO THE FRENCH. MOREOVER, SCHRICKE SAID THAT GISCARD HAS ISSUED INSTRUCTIONS TO THE FRENCH MINISTRY OF FINANCE CONCERNING THE FRELOC SETTLEMENT. SCHRICKE IS ENDEAVORING TO OBTAIN A COPY OF THOSE INSTRUCTIONS, ON THE ASSUMPTION THAT THEY BEAR ON THE LANGUAGE GISCARD WOULD LIKE INCORPORATED IN THE FINAL FRELOC SETTLEMENT AGREEMENT. MEANWHILE, GOF IS NOT IN POSITION TO RESPOND TO OUR DRAFT.

4. SCHRICKE THANKED US FOR THE FULL TEXTS OF THE LOWENSTEIN/ELLSWORTH TESTIMONY BEFORE THE BYRD SUBCOMMITTEE, WHICH WE HAD GIVEN TO HIM EARLIER. HE SAID THAT HE THOUGHT LOWENSTEIN AND ELLSWORTH HANDLED THE CLAIMS ISSUE VERY WELL IN THEIR TESTIMONY, AND ADDED THAT HE HAD SEEN NO TREATMENT BY FRENCH PRESS OF THE BYRD HEARINGS NOR HAD THE QUAI RECEIVED PRESS INQUIRIES CONCERNING THOSE HEARINGS.

5. COMMENT: WE DO NOT KNOW TO WHAT EXTENT (IF AT ALL) SCHRICKE'S APPARENT ALLERGY TO PUBLICATION OF EXCHANGES REFLECTS ATTITUDE AT SENIOR LEVEL IN GOF. WE WILL CONTINUE TO PUSH FOR FRENCH AGREEMENT TO PUBLICATION OF ENTIRE FRELOC SETTLEMENT DOCUMENTATION.
RUSH

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